S7300-1-U

ANNUAL REPORT FY88

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Commissioners:
Dennis Eisnach
Kennethe Stofferahn
Jim Burg

Public Utilities Commission
State of South Dakota
500 East Capitol
Pierre, South Dakota 57501

Executive Director
Mary Vanderpan
(60)773-3201

November 3, 1988

The Honorable George S. Mickelson
Governor of South Dakota
State Capitol Building
500 E. Capitol Avenue
Pierre, SD 57501

Dear Governor Mickelson:

In conformity with South Dakota Codified Law 49-1-13, the Public Utilities Commission hereby respectfully submits its annual report for the time period of Fiscal Year 1988. This report of its activities contains the facts, statements and explanations deemed necessary by the Commission to fully disclose its transactions and conduct during this time period.

Generally, this report conveys the various activities, functions and accomplishments of the South Dakota Public Utilities Commission. It includes, but is not limited to, a complete financial report of receipts and expenditures, including a list of the utilities regulated by the Commission and the total amount of fees and assessments paid by each. It also includes a list of the applications, subject and disposition of each docket number assessed by the Commission.

Sincerely,

DENNIS EISNACH, Chairman

S.D. Public Utilities Commission

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Enclosure

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FORWARD

Created by State Statute, the South Dakota Public Utilities Commission is an independent, quasi-judicial, regulatory body of three members elected state-wide to six year terms. The jurisdiction, powers and duties of the Commission are delegated to it by the South Dakota Legislature.

The state laws applicable to the Public Utilities Commission are found in Volume 14B, Title 49 of the South Dakota Codified Laws. These laws govern the regulation of motor carriers, telephone companies, public warehouses, grain dealers, energy facilities and transmission lines, and investor-owned electric and natural gas companies. From 1974 to the present time, the Public Utilities Commission has promulgated rules which cover the above listed utilities.

The Commission functions under direct general fund and other fund appropriations of the South Dakota Legislature but it is charged with the responsibility of collecting certain fees for licenses, permits and charges including special hearing fund assessments in the Fixed Utilities Division.

The special hearing fund assessments consist of a 1.5 mil tax assessed on the total intrastate gross receipts of utility companies received from retail customers within the State of South Dakota, which funds the daily work of the Fixed Utilities Division; and a $75,000 assessment of the utility filing a specific rate case, to be used only for expenses incurred in that specific case.

A complete financial report of these fees and funds are included elsewhere in this report.

• BRIEF BIOGRAPHIES OF COMMISSIONERS

Dennis Eisnach

Assumed Commissionership January, 1983, term ends January, 1989; Democrat; born January 2, 1936. Attended South Dakota School of Mines and Technology, Rapid City, and the University of South Dakota, Vermillion. Past experience includes South Dakota Highway Patrol, 1960-1980 - Superintendent, 1974-1980. Elected to serve District 3. Address is Pierre, South Dakota. Assumed the Chairmanship January 6, 1987. Immediate past president of Mid-America Regulatory Conference.

Kenneth D. Stofferahn

Assumed Commissionership January, 1979; first term ended January 7, 1985; re-elected to a second term which ends January 1991; Democrat; born April 5, 1934. Received B.S. Degree in Agriculture from South Dakota State University, Brookings. Past experience includes farming; member of local Board of Education (President 1974), 1976-1978; and member of South Dakota House of Representatives, 1974-1976. Elected to serve District 1.

Voting residence is Humboldt, South Dakota. Served as Chairman of the Commission from January 5, 1983 to July 1, 1985.

Assumed the Vice Chairmanship July 1, 1985. Board member of National Regulatory Research Institute.

James A. Burg

Assumed Commissionership January, 1987; term ends January, 1993; Democrat; born April 22, 1941. Received B.S. Degree in Animal Science from South Dakota State University, Brookings, South Dakota, 1963. Past experience includes farming; member of South Dakota House of Representatives, 1975-1984; Assistant Minority Leader, 1979-1984; South Dakota State Senate, 1985-1986; Assistant Minority Leader; South Dakota National Guard, 1963-present, Major. Elected to serve District 2; Residence is Wessington Springs. Member of National Association of Regulatory Utility Commissioners Committee on Administration.

SOUTH DAKOTA
COUNTY OUTLINE MAP
PUBLIC UTILITIES COMMISSIONER DISTRICTS

COUNTY OUTLINE MAP
SOUTH DAKOTA

As provided by SDCL 49-1-1 the three Commissioners are elected from the following districts:

District #1–Kenneth D. Stofferahn
District #2–James A. Burg
District #3–Dennis Eisnach

HISTORY OF THE SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

• The Public Utilities Commission's Origin--1885-1988:

The coming of the railroads to the Dakota Territory brought vital transportation services, but there were also problems. There was only one railroad--a monopoly--so it could charge anything the market would bear. The farmers in Dakota Territory felt they were being fleeced of millions of dollars, and they carried their complaints to the government.

The Territorial Legislature responded, creating the Dakota Railroad Commission in 1885. The Commission used its authority to eliminate many of the discriminatory practices and ensure fair and reasonable rates.

With the coming of statehood in 1889, the functions of the Territorial Commission were transferred and became the South Dakota Railroad Commission. The first South Dakota Legislature in 1889 significantly increased the duties and powers of the three member board, who at that time were appointed by the Governor. In 1897, the Legislature approved a new law which made the Board of Railroad Commissioners an elective office with six-year terms. The change was apparently intended to encourage a broader range of interest among the members and to make the Board directly responsible to the people.

To more accurately reflect its growing number of regulatory responsibilities, the name was changed to the Public Utilities Commission in 1939.

• The Public Utilities Commission--Changing, Changeless:

The state of South Dakota has changed significantly during the last 100 years, and the Public Utilities Commission has changed with it.

In order to protect the early South Dakota farmers, the Legislature placed the regulation of grain warehouses under the Railroad Commission in 1890.

In 1907, a telephone commission composed of the State Treasurer, State Auditor and a Telephone Commissioner was given regulatory authority over telephone and telegraph companies. The commission was abolished two years later and its authority was transferred to the Board of Railroad Commissioners.

During the 1925 legislative session, a comprehensive Motor Carrier Act was approved giving the Commission authority to regulate the trucking and busing industry.

In 1975, the South Dakota Legislature enacted a state law which gave the Public Utilities Commission jurisdiction over the regulation of natural gas and electric utilities. Since then, municipal utilities, cooperatives and small independent companies have been removed from regulation of rates.

Railroads were effectively removed from the Commission's jurisdiction in 1980. Safety standards are still enforced by the State Department of Transportation.

In 1981, President Reagan signed into law the Record Carrier Competition Act, which removed state regulation of telegraph companies.

Even though many changes have occurred, the Commission's main mission remains the same--assuring that public utilities provide service in a fair and reasonable manner.

- **Motor Carrier:**

In 1925, South Dakota became one of the first states to regulate for-hire motor carriers, both trucks and buses, to assure the public safe and adequate transportation service at reasonable rates. The Public Utilities Commission regulates freight rates and service territory and issues annual permits which require that motor carriers are adequately insured.

Following the passage of Public Law 89-170 in 1965, which set standards for the registration of interstate motor carriers, the South Dakota Public Utilities Commission has cooperated with the Interstate Commerce Commission and the National Association of Regulatory Commissioners for standardized regulation.

Around 12,000 for-hire motor carriers now operate over South Dakota highways. Nearly 1,000 of those provide truck transportation exclusively within the state's borders, while two companies provide regular route bus service.

- **Warehouse Division:**

With the changing farm economy and more grain held in storage, the regulation of public warehouses has become more important. The most significant responsibility is overseeing the operation of 256 state-licensed grain storage elevators. The Public Utilities Commission also supervises 69 federally-licensed elevators that hold state grain buying licenses, 45 non-storing elevators that hold a state grain buying license, 137 trucking firms that hold grain buying licenses and 40 general storage warehouses.

Each elevator is required to post a bond based on the value of grain in storage or the volume of grain it buys and sells each year. Trucking firms that buy grain are required to post a bond based on the number of trucks they operate. General storage warehouses may post a bond based on their square footage or provide evidence that they are adequately insured. The bonds cover potential losses a farmer could suffer in case of an elevator's failure. Insurance would provide the same protection to a consumer storing his personal property in a general storage warehouse.

Elevators are required to file monthly grain-in-storage reports, and reports that detail their buying and selling activity. In addition, the Public Utilities Commission employs three inspectors who monitor the operation of elevators, as well as the motor carrier industry.

- **Telecommunications:**

Recently the most visible area of Public Utilities Commission regulation has been in the telecommunications industry, primarily because the technology is changing rapidly.

Since July 1, 1987, the Commission regulates local rates of just one telephone company--Northwestern Bell. Northwestern Bell serves nearly 74% of all telephone customers in the state. Regulation also includes such things as service territories, quality of service and consumer complaints. These rules apply to all the remaining companies including municipally-owned telephone systems, telephone cooperatives and independent telephone companies with fewer than 10,000 customers.

The Commission is committed to the goal of universal service, which means phone service should be affordable to everyone, especially those who consider a telephone a necessity because of poor health, advanced age or some other reason.

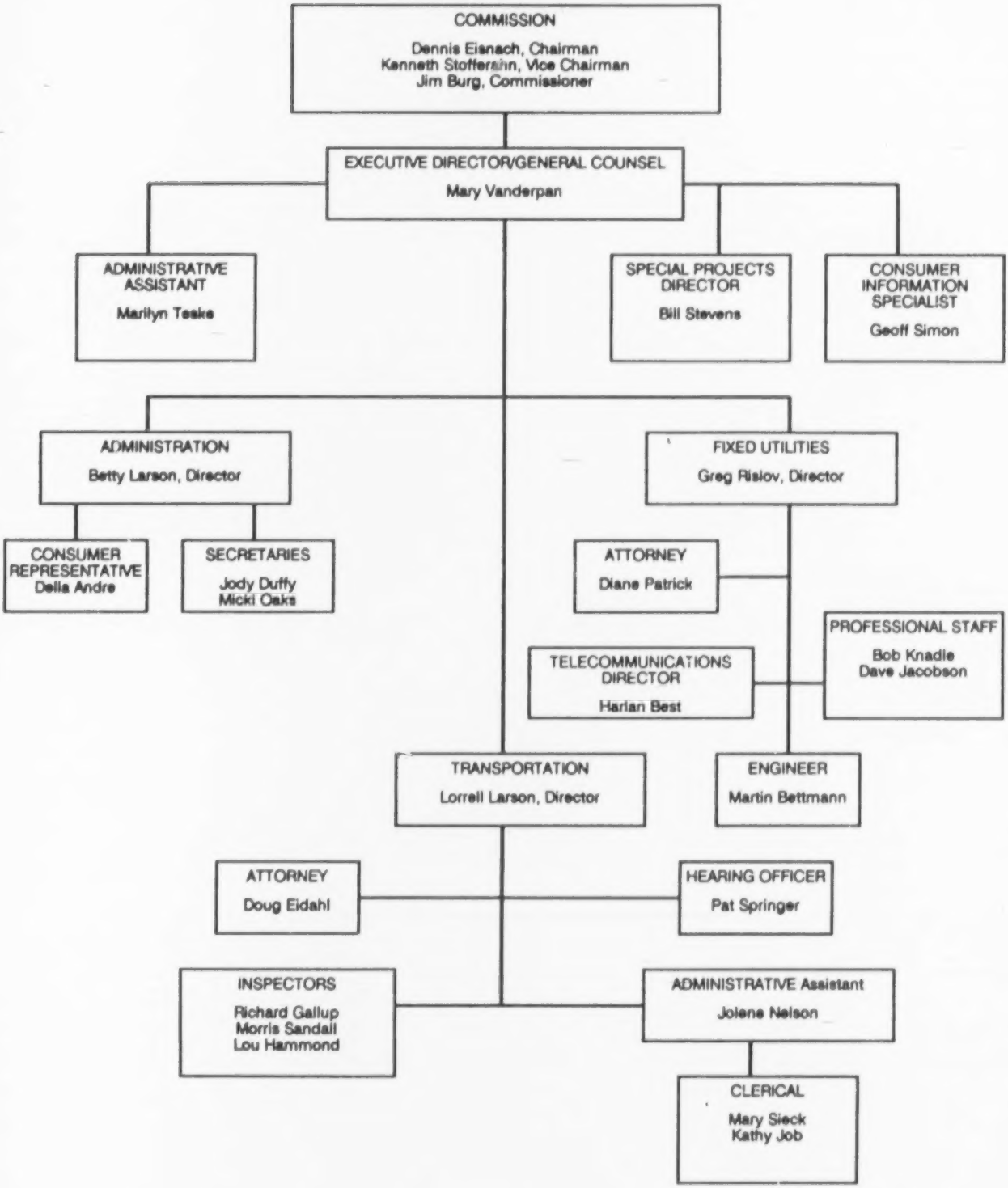
Telecommunications regulation applies to more than just telephones in homes and businesses. The Public Utilities Commission also regulates mobile telephone and radio paging systems. The Commission grants territorial rights to the companies and ensures that they are able to provide adequate services.

- **Electricity and Natural Gas:**

The Public Utilities Commission has had the responsibility of regulating electric and gas utilities since 1975. The Commission has authority to set retail rates, territorial boundaries, and customer service regulations such as credit and disconnection policies. The regulations apply to seven privately-owned utilities, three of which provide both electric and natural gas service--Iowa Public Service Company, Montana-Dakota Utilities Company and Northwestern Public Service Company. There are three privately-owned companies that provide just electrical service--Black Hills Power and Light Company, Northern States Power Company and Otter Tail Power Company. Minnegasco is the lone regulated utility providing just natural gas service.

Rural electric cooperatives and municipally-owned utilities are not regulated by the Public Utilities Commission, except in regard to their territorial service areas and in response to complaints about quality of service.

PUBLIC UTILITIES COMMISSION
ORGANIZATIONAL CHART



FUNCTIONS OF THE PUBLIC UTILITIES COMMISSION

The three elected commissioners are responsible for all functions of the South Dakota Public Utilities Commission. As a Commission, it organizes by selecting a chairman, vice chairman and associate commissioner.

The Executive Director coordinates various staff activities of the agency, schedules hearings and conferences, and is responsible for the implementation of commission policy, the supervision of the directors of the Administrative Division, Fixed Utilities Division and Transportation Division, as well as supervision of Consumer Services and Special Projects.

The Commission Counsel represents the Commission in matters before the State and Federal Courts, as well as preparing commission orders and reports to the commissioners on various issues.

Since January, 1987, these two positions have been combined with Mary Vanderpan as Executive Director/Commission Counsel.

The Commission staff is organized into three divisions: Administrative, Transportation and Fixed Utilities.

ADMINISTRATIVE DIVISION

The Administrative Division of the Public Utilities Commission provides support services for the commissioners and the entire commission staff, and is generally responsible for the administrative operations of the Public Utilities Commission.

- **Consumer Services and Complaints Section:**

The consumer representative has the primary responsibility for consumer relations, communications and problem solving. Upon receipt of telephoned and written inquiries, complaints, and comments from consumers, a staff member initiates an investigation on the consumer's behalf to resolve the situation satisfactorily for both the consumer and the utility company. In many instances the consumer will have first contacted the utility company about the concern and simply wishes further assistance from the Commission. This section keeps record of all such complaints and their resolutions for tabulation and preparation of statistical summaries. The complaint records for FY1988 are included in the appendix.

The consumer information specialist provides information to the general public about regulation of utilities, consumer rights and energy conservation through consumer panels, brochures and media.

The special projects director provides liaison with Mid-America Regulatory Conference whose regional convention was held in Rapid City in June, 1988; coordination of The Balancing Act, an educational project for high school students; budget analysis and other support functions.

- **Financial and Personnel Services:**

This section has the responsibility of compiling all of the Commission's fiscal information used in the budgeting and accounting functions. The financial reports of expenditures and revenues in the various program budgets follow:

The Statement of General Fund Revenue represents the collection of general fund revenue receipted by the issuance of licenses and permits in the Transportation Division. Revenue collected from these sources is remitted to the State General Fund.

Statement of General Fund Revenue

	FY-88
ICC or ICC Registration	$ 48,095.00
MC-A Permit	0.00
MC-B Permit	4,200.00
MC-C Permit	1,850.00
Permit Transfers	7,300.00
Non Storage Licenses	1,260.00
Federal Storage Licenses	1,155.00
Grain Elevator Licenses	10,455.00
General Warehouse Certificates	840.00
Decals	2,314.00
Grain Buyers Licenses	10,455.00
Identification Stamps	945,460.00
Cab Cards	557.50
Grain Terminal Weighmaster	0.00
Total	**$1,030,941.50**

Special Hearing Fund Revenue

	FY-88
Black Hills Power & Light	$ 90,326.19
Northern States Power	71,786.78
Otter Tail Power Company	18,621.94
Northwestern Bell Telephone	166,984.97
Minnegasco	53,654.70
Bison State Telephone	4,554.00
Northwestern Public Service	135,028.40
American Telephone & Telegraph	894.16
Iowa Public Service	15,194.85
Montana-Dakota Utilities	58,084.08
Continental Telephone	51.24
Total	**$617,339.68**

The Special Hearing Fund Revenue listed in the proceeding report for state fiscal year 1988 shows the amount of the annual intrastate gross receipts tax paid by each Commission-regulated natural gas, electric and telephone company in South Dakota. This annual intrastate gross receipts tax, levied on the above listed companies, is authorized by SDCL 49-1A-3 and provides funding for the Commission's Division of Fixed Utilities. This funding source appears as "Other" funds in the Fixed Utilities Division on the following chart.

BUDGET, EXPENDITURES, ENCUMBRANCES AND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 1988

PROGRAM	FY 1988 BUDGET	EXPENDITURES BY FUND GROUP GENERAL	OTHER	ENCUMBRANCES	BALANCE
01 - ADMINISTRATION:					
PERSONAL SERVICES	$ 219,409.00	$219,409.00	-0-	$-0-	
OPERATING EXPENSES	30,464.00	29,848.20	-0-	-0-	615.80
TOTAL PROGRAM	249,873.00	249,257.20	-0-	-0-	615.80
02 - TRANSPORTATION:					
PERSONAL SERVICES	166,883.00	166,851.92	-0-	-0-	$ 31.08
OPERATING EXPENSES	51,732.00	50,732.10	-0-	-0-	999.90
TOTAL PROGRAM	218,615.00	217,584.02	-0-	-0-	1,030.98
03 FIXED UTILITIES:					
PERSONAL SERVICES	431,797.00	-0-	381,181.44	-0-	50,615.56
OPERATING EXPENSES	220,470.00	-0-	202,923.88	7,715.80	9,830.32
TOTAL	652,267.00	-0-	584,105.32	7,715.80	60,445.88
04 - NON-APPROPRIATED FILING FEE:					
OPERATING EXPENSES	540,000.00	-0-	76,874.05	-0-	463,125.95
TOTAL ALL PROGRAMS	$1,660,755.00	$466,841.22	$660,979.37	$ 7,715.80	$525,218.61

- **Statutory Changes:**

At the direction of the Executive Director, Commission staff members prepare legislative proposals and amendments which have been recommended by the Commission. Legislation proposed by other agencies or persons is reviewed and monitored by Commission staff when it concerns issues germane to public utility or common carrier regulation. During the 1988 Legislative Session, the State legislature enacted the following changes in Title 49 of the South Dakota laws which apply to the Public Utilities Commission:

Effective July 1, 1988

Senate Bill No. 42 (SDCL 49-31) revised telecommunications regulation statutes by providing for the deregulation of certain services as well as reduced commission oversight of other telephone service offerings. This legislation did not become effective on July 1, 1988, due to referendum proceedings and may be a ballot issue in November 1988.

Senate Bill No. 43 (SDCL 49-31) provided the means to finance PUC deregulation and cost allocation proceedings authorized by SB42. During the legislative session this legislation was incorporated into SB42.

- **Administrative Rules of South Dakota Title 20, Article 10 Public Utilities:**

In FY88 the Administrative Rules of South Dakota, ARSD 1-26, were revised and became effective October 14, 1988. Included in these rules are public warehouse, grain dealers, and motor carrier licensing rules as well as telephone, gas and electric rate filing and consumers rules (ARSD 20:10), approved and promulgated by the Commission, with input from the concerned utilities and consumer groups.

Significant changes in ARSD 20:10 as a result of the FY88 revision include a revision in the guideline specifications for constructing and maintaining temporary grain storage structures and requirement for all truckers applying for authority to use PUC application form.

FIXED UTILITIES DIVISION

During the 1975 Legislative Session, the South Dakota Public Utilities Commission was vested with the powers, rights, functions and jurisdiction to regulate every investor-owned utility in South Dakota as defined in SDCL 49-34A-1(12). This definition of "public utility" is as follows:

> "any person operating, maintaining or controlling in this state equipment or facilities for the purpose of providing gas, or electric service to or for the public in whole or in part, in this state; provided, however, the term shall not apply to an electric or gas utility owned by a municipality, political subdivision, or agency of the state of South Dakota or any other state or a rural electric cooperative as defined in..." South Dakota Codified Law.

After the Commission was given this legal jurisdiction over certain "public utilities" for gas and electricity, the legislature established and the Commission named this division "Fixed Utilities." These new electric and natural gas regulatory responsibilities were added to the already existent telephone utilities regulation within the same division.

The Fixed Utilities Division has been responsible for the regulation of those public utilities which have fixed facilities and equipment that have required a major investment to construct and maintain. The state legislature has determined that the duplication of these fixed facilities and equipment by competing companies would not be in the consumer's best interest. The Fixed Utilities Division has three sections: 1) gas and electric, 2) telecommunications and 3) legal.

The Fixed Utilities Division employs economic analysts, an engineer, and an attorney who assist the Commission in meeting its statutory responsibilities relating to the regulation of rates, service, certification and safety of utility facilities for electric, natural gas and telephone utility companies.

The main objective of the economic or rate analysts is the processing of filings for requested changes in regulated utility company rates. They must analyze filings, identify issues, prepare testimony and exhibits incorporating the staff's recommendations, as well as assist in the preparation of cross-examination questions and preparation of briefs for use in the formal hearing process.

Analysts also recommend action to be taken with regard to new tariff filings, purchase gas adjustments, fuel adjustment clauses, state and federal legislation, Federal Energy Regulatory Commission actions, Federal Communications Commission actions, actions of other states and investigations into new or non-routine utility regulation areas.

The engineer is responsible for providing technical staff direction to insure utility services of a prescribed quality and in sufficient quantity to meet all reasonable requirements for public use. The staff engineer participates in formal siting proceedings and provides technical recommendations to the Commission in these proceedings.

• ELECTRIC AND GAS SECTION:

In the area of electric utility regulation, the Commission regulates six investor-owned electric companies. They are Black Hills Power & Light Company, Iowa Public Service Company, Montana-Dakota Utilities Company, Northern States Power Company, Northwestern Public Service Company, and Otter Tail Power Company.

In the area of natural gas utility regulation, the Commission regulates four investor-owned natural gas companies. They are Iowa Public Service Company, Minnegasco, Montana-Dakota Utilities Company, and Northwestern Public Service Company.

• TELECOMMUNICATIONS SECTION:

In the area of telephone utility regulations, the Commission regulated the rates of two telephone companies in FY88. They are Northwestern Bell Telephone Company (US West) and AT&T. In 1984, the United States Justice Department mandated the division of the Bell System into separate companies -- seven regional holding companies, of which US West is one, to provide local service and AT&T to provide long distance service. The Commission has regulated AT&T since January 1, 1984 for its intrastate toll services only.

The South Dakota Legislature has removed municipal telephone companies (1980), telephone cooperatives (1979), independent telephone companies with fewer than 7,000 subscribers (1982), and independent telephone companies with fewer than 10,000 (1987) from rate regulation by the Commission. These companies remain subject to the Commission's jurisdiction over quality of service, territory, and complaints.

• LEGAL SECTION:

The Fixed Utilities Division has a staff attorney who provides legal advice to the staff on all fixed utilities matters. This attorney prepares recommended reports and orders and drafts recommendations for final orders and decisions. Research work is required of this attorney for opinions and memoranda. The attorney also works with legal consultants who are sometimes hired for more complex cases or in a period of extensive rate case activity.

The Fixed Utilities Division legal staff works in the areas of electricity, natural gas and telecommunications at the Commission level. The Commission's counsel provides the Commission with legal representation in state and federal courts in electric, natural gas, telephone and miscellaneous litigation affecting the Commission.

TELEPHONE COMPANIES REGULATED IN FY88

1. Northwestern Bell Telephone Company, Sioux Falls, SD

2. AT&T Communications of the Midwest, Inc., Omaha, NE

TELEPHONE COMPANIES - NON-REGULATED INDEPENDENTS

3. Contel of SD, Inc., Custer, SD
4. Armour Independent Telephone Company, Armour, SD
5. Cheyenne River Sioux Tribe Telephone Authority, Eagle Butte, SD
6. Mt. Rushmore Telephone Company, Keystone, SD
7. Hanson County Telephone Company, Alexandria, SD
8. Jefferson Telephone Company, Jefferson, SD
9. Kadoka Telephone Company, Kadoka, SD
10. Kennebec Telephone Company, Kennebec, SD
11. Sioux Valley Telephone Company, Dell Rapids, SD
12. Stockholm-Strandburg Telephone Company, Stockholm, SD
13. Tri-County Mutual Telephone Company, Emery, SD
14. Union Telephone Company, Hartford, SD
15. Vivian Telephone Company, Vivian, SD
16. Western Telephone Company, Faulkton, SD

COOPERATIVES

17. Baltic Cooperative Telephone Company, Baltic, SD
18. Dakota Cooperative Telecommunications, Irene, SD
19. Interstate Telecommunications Coop., Inc., Clear Lake, SD
20. Golden West Telecommunications Cooperative, Inc., Wall, SD
21. James Valley Cooperative Telephone Company, Groton, SD
22. McCook Cooperative Telephone Company, Salem, SD
23. Midstate Telephone Company, Kimball, SD
24. Roberts County Telephone Cooperative Association, New Effington, SD
25. Sanborn Telephone Cooperative, Inc., Woonsocket, SD
26. Splitrock Cooperative Telephone Association, Garretson, SD
27. Sully Buttes Telephone Cooperative, Inc., Highmore, SD
28. Valley Telephone Cooperative Association, Herreid, SD
29. West River Cooperative Telephone Company, Bison, SD

MUNICIPAL

30. City of Beresford Telephone Department, Beresford, SD
31. City of Brookings Telephone Department, Brookings, SD
32. Faith Municipal Telephone Company, Faith, SD

FOREIGN (SERVING BORDER COMMUNITIES)

33. Farmers Mutual Telephone Company, Bellingham, MN
34. Hills Telephone Company, Inc., Estherville, IA
35. Continental Telephone Company of Minnesota, Minneapolis, MN
36. Great Plains Communications, Blair, NE
37. Three River Telco, Lynch, NE
38. Valley Telephone Company, Browns Valley, MN
39. Northwestern Bell Telephone Company of Iowa
40. Northwestern Bell Telephone Company of Nebraska
41. Northwestern Bell Telephone Company of Minnesota
42. Northwestern Bell Telephone Company of North Dakota
43. Northwestern Bell Telephone Company of Wyoming
44. Consolidated Telephone Corporation, Dickinson, ND
45. Dickey Rural Telephone Mutual Aid Corporation, Ellendale, ND
46. West River Mutual Aid Telephone Corporation, Hazen, ND

TRANSPORTATION DIVISION

The Transportation Division is responsible for registering state carriers and for the regulation of Class A, B and C motor carriers, public storage warehouses, public grain warehouses and grain dealers. This division has four sections: 1) Motor Carriers, 2) Inspection/Investigation, 3) Public Warehousing and 4) Legal.

• MOTOR CARRIER SECTION:

The primary purpose of motor carrier regulation by the Commission is to assure the public of adequate, efficient and reliable transportation service at reasonable rates. These rates are reviewed to insure they are not unjustly discriminatory, unreasonable and do not give advantage to any individual or group to the detriment of others. The motor carrier section consists of technical and clerical personnel who assist the Commission in meeting its statutory responsibilities.

Further, this staff is responsible for coordinating and processing interstate registrations and applications; tariffs, insurance and service requirements for intrastate motor carriers and interstate motor carriers operating within the boundaries of South Dakota. The staff also maintains complete files of all motor carriers' tariffs and handles complaints and inquiries from the general public.

As provided in Chapter 49-28 of the South Dakota Codified Laws there are two types of related motor carriers: 1) Common carriers, and 2) Class C carriers.

1) A Common Carrier is a motor carrier which holds itself out to the general public as engaged in the business of transporting persons or property in intrastate commerce which it is accustomed to and is capable of transporting from place to place in this State for hire. Intrastate permits are granted to common carriers in two classes (A & B) as follows:

Class A - Motor carriers operating between fixed terminals or over a regular route, under regular rates or charges, based upon either station-to-station rates or upon a mileage rate or scale (for example: commercial bus lines/independent truckers who operate on a fixed schedule.);

Class B - motor carriers operating under regular rates or charges, based upon either station-to-station rates, or upon a mileage rate or scale, and not between fixed terminals and not over a regular route (for example: general commodities, livestock and grain carriers);

Note: both Classes A & B are limited to a certain area of service within which their freight must originate and terminate.

2) Class C Carriers are operators which transport persons or property where the renumeration is fixed and the transportation service furnished under a separate contract or agreement with each shipper for each route or locality and where such carrier does not engage in or hold itself out to furnish service to the public generally.

Interstate carriers are required by state law to register their South Dakota operations with the Commission and are subject to regulation by the Interstate Commerce Commission. Interstate carriers are required to purchase annually the South Dakota identification stamps, which are commonly referred to as "bingo stamps," and which allow them to operate over South Dakota highways.

• MOTOR CARRIER STATISTICS FY88

The following chart provides the performance data in fiscal years 1988 of the Transportation Division's handling of these various applications and motor carrier registrations.

Intrastate Applications Received:	**FY87**	**Cost Per Unit**	**Total Collected**
Class A	0	$ 200.00	$ 0.00
Class B	42	100.00	4,200.00
Class C	37	50.00	1,850.00
Permit Transfers	73	100.00	7,300.00
Interstate Registration	**1,924**	**25.00**	**48,095.00**
Identification Stamps	**189,092**	**5.00**	**945,460.00**

• INSPECTION/INVESTIGATION SECTION:

This section is staffed by three Inspectors/Investigators who are stationed outside the Commission's office in Pierre. Through daily contact with the Public Utilities Commission office, these three Inspector/Investigators are responsible for conducting investigative, monitoring and contact activities with motor carrier operators and inspecting licensed grain warehouses, public warehouses and grain dealers throughout South Dakota. These responsibilities and activities are carried out to assure compliance with the provisions of the South Dakota Codified Laws for motor carriers, public warehouses, grain warehouses and grain dealers. They also are responsible for assuring compliance with the regulations and rules promulgated by the Commission in this area.

These activities by the Inspectors/Investigators assist the Commission's motor carrier efforts to insure the public of adequate, safe and dependable transportation service at reasonable and non-discriminatory rates. These inspection activities also assist the Commission's efforts in licensing, bonding and supervising the management practices of public warehouses, grain warehouses and grain dealers to insure the property rights of owners and payments to producers.

• PUBLIC WAREHOUSING SECTION:

The Commission's staff in the public warehousing section is responsible to carry out the activities of licensing and bonding of public warehouses, grain warehouses and grain dealers, the handling of complaints and the exercise of the Commission's statutory jurisdiction over the handling, management and storing of grain.

The following is a description of the types of public warehouses and grain dealers which are regulated by the Commission and the bonding requirements for each as of July 1, 1988:

1) Public grain warehouses include all public warehouses in this state where grain and seeds are received for storage for hire. A twenty five thousand dollar ($25,000) bond must be provided for the first 10,000 bushels of storage capacity and an additional three thousand ($3,000) bond is required for each additional 10,000 bushels. However, if the value of grain held in storage exceeds the amount of such a bond, as determined above, the warehouseman must furnish a total bond in an amount equal to half the local market value of the grain in storage.

2) Public storage warehouses include all those where any personal property except grain and seed is received for storage for hire. Their bonding requirements are based on the square footage of their storage area, or in lieu of bond, insurance may be filed. Insurance or bond amounts range from $5,000 to $20,000.

3) A grain dealer's license is required of any person, firm or corporation who purchases grain from the owner for the purpose of resale. A grain dealer must furnish either a $25,000 or $50,000 bond. The bond amount is based upon the value of grain purchased in the previous fiscal year or the number of trucks operated by the grain dealer, whichever requires the greater bond.

Also a grain dealer is required to purchase a $2 decal to be displayed in the lower left hand corner of the windshield of each truck to indicate the vehicle is used in grain dealer operations.

4) The Commission also licenses one grain weighmaster. A weighmaster is an individual who is authorized to weigh grain and certify the weight at a grain warehouse. The bonding requirement is in the sum of $5,000, conditioned upon the faithful performance of his duties as a weighmaster.

The following chart lists the statistics of the public warehousing section for the fiscal year of 1988.

PUBLIC WAREHOUSING STATISTICS FY88

	FY88	Per Unit
Public Storage Warehouses	40	$15.00
Grain Warehouse (non-storing)	45	15.00
Federal Licensed Elevators	69	15.00
Public Grain Warehouses	256	15.00
Grain Dealers	137	15.00

During Fiscal Year 1988 all of the South Dakota licensed grain storage warehouses were inspected at least once by the three inspectors on the Public Utilities Commission staff. The licensed elevators submit monthly grain reports on the first of every month for grain held in storage. They are required to be bonded for half the local market value of stored grain as of the reporting date.

• LEGAL SECTION:

The legal section has one Staff Attorney who provides legal advice to the Commission and Transportation Division staff on all transportation and warehouse related matters such as: motor carriers, public storage warehouses, public grain warehouses and grain dealers.

This attorney prepares Commission reports and orders and prepares opinions and memoranda on legal questions before the Commission which require research, in addition to representing the transportation staff in various hearings. This attorney provides the Commission and staff with legal representation in state courts in transportation and warehouse related litigation.

APPENDIX:

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ELECTRIC, NATURAL GAS AND TELEPHONE CONSUMER COMPLAINTS BY CATEGORY FOR FISCAL YEAR 1988

ELECTRIC COMPANIES:	Other	Meter	Want Service	Deposit Or Disconnect	Service Improvement	Boundary Or Territory	Tariff Or Billing	Rate Increase	Total
BLACK HILLS CORPORATION	**4**	**4**	**6**	**24**	**5**	**1**	**21**	**5**	**70**
Iowa Public Service	0	0	0	1	0	0	1		2
Montana Dakota Utilities	0	2	1	4	0	0	10	4	21
Northern States Power	5	1	6	22	3	1	17	0	55
NorthWestern Public Service	4	2	1	43	1	0	31	1	83
Otter Tail Power	0	0	0	7	1	0	2	2	12
Unregulated Companies	3	2	0	9	3	3	8	5	33
TOTALS	**16**	**11**	**14**	**110**	**13**	**5**	**90**	**17**	**276**
GAS COMPANIES:									
Iowa Public Service	0	1	0	5	0	0	1	0	7
Minnegasco	3	2	0	8	4	0	11	0	28
Montana Dakota Utilities	2	0	0	12	1	0	32	0	47
NorthWestern Public Service	2	2	0	35	3	0	30	0	72
Unregulated Companies		0	0	0	0	0	0	0	0
TOTALS	**7**	**5**	**0**	**60**	**8**	**0**	**74**	**0**	**154**
TELEPHONE COMPANIES:									
AT&T Communications	1	0	0	0	9	0	23	1	34
NorthWestern Bell	71*	0	19	38	54	5	78	3	268
Unregulated Companies	16		4	3	17	2	26	4	72
TOTALS	**88**	**0**	**23**	**41**	**80**	**7**	**127**	**8**	**374**

*Included in "Other" were 12 inquires about the Telephone Assistance Plan (TAP) and Link-Up America - favoring it. One individual was opposed to the $.05 increase in customers' telephone bills to fund the plans. Also included were 47 letters concerning trasfer of NWB's personnel to out-of-state positions.

Docket F-3691 Filed 6/30/87
APPLICATION OF OTTER TAIL POWER COMPANY (OTP) FOR A CHANGE IN ITS RATES FOR ELECTRIC SERVICE IN SOUTH DAKOTA

On June 30, 1987, OTP filed an application with the Commission for authority to establish increased rates for electric service. OTP requested an increase of $1,013,493 on an annual basis which would affect approximately 11,186 retail electric customers located in South Dakota. OTP's request constituted an approximate 8.22% overall increase.

The Commission order invited intervenors, requested Staff and intervenor testimony by October 10, 1987; OTP rebuttal by October 23, and set a hearing date for November 4, 1987. It was further ordered that rate increases be suspended until December 30, 1987, and that OTP should deposit $40,000 in the Special Hearing Fund in order to defray the expenses incident to conducting the investigation and hearing. There were no intervenors in this proceeding.

The company sought a $1,013,493 increase or 8.22% A settlement agreement between OTP and Staff was approved October 30, 1987, allowing OTP a revenue increase of $341,228 on an annual basis. This would be an increase of 2.77%. The settlement also included a moratorium on future increases through January 1, 1990.

Docket F-3764 Filed 6/23/88
APPLICATION OF NORTHERN STATES POWER COMPANY (NSP) FOR A CHANGE IN ITS RATES FOR ELECTRIC SERVICE IN SOUTH DAKOTA

On June 23, 1988, NSP filed with the Commission an application for authority to establish increased rates for electric service. NSP requested an increase of $3,552,000 on an annual basis which is an approximate 7.1% increase.

The Commission order invited intervenors, requested Staff and intervenor testimony by October 7, 1988, rebuttal by October 21, and set a hearing date for November 16-17, 1988. It was further ordered that rate increases be suspended until December 23, 1988, and that NSP should deposit $40,000 in the Special Hearing Fund in order to defray the expenses incident to conducting the investigation and hearing.

Docket F-3555 Filed 9/13/85
BROOKINGS-LAKE TELEPHONE COMPANY VS. CITY OF BROOKINGS

Brookings-Lake complained that the City had unlawfully taken over service territory in annexed areas which are within the Company's territory. PUC decision issued 1/2/87; appealed to Circuit Court 1/26/87; PUC decision affirmed 10/26/87; appealed to Supreme Court by B-L Company 12/29/87; Supreme Court affirmed PUC decision 10/21/88.

Docket 3575 Filed 12/18/85
COMPLAINT OF AMERICA PHONE INCORPORATION DBA PHONE AMERICA OF SOUTH DAKOTA AGAINST AT&T AND NWB

This action arises from a complaint filed by Phone America against NWB, disputing the amount due to NWB from Phone America for its billings from February 1985 through December 1985. PUC hearing and rehearing held and decision issued 6/26/86; appealed to the Circuit Court; final judgement 10/15/87; NWB appealed to Supreme Court 11/25/87; various briefs filed; pending decision.

Docket F-3582-28 Filed 12/17/86
REMOVE CUSTOMER PREMISES INSIDE WIRE

SD PUC joined National Association of Regulatory Utility Commissioners in an appeal to the District of Columbia Court of Appeals objecting to FCC preemption of state regulation of inside wire. Pending.

Docket F-3630 Filed 9/22/86
TRANSFER OF CERTAIN MT SYSTEMS, INC. LICENSES TO EASTERN DAKOTA COMMUNITY DEVELOPMENT CORPORATION

PUC decisions appealed to Circuit Court; remanded to PUC; hearing set 11/14/87; transfer application withdrawn by MT Systems 11/12/87; Circuit Court Order of Dismissal 3/17/88.

Docket F-3669 Filed 4/9/87
GRAIN DEALER'S BOND OF SUN PRODUCTS AND GRAIN,INC.

PUC ruling appealed to Circuit Court 6/8/87; continued at request of complainant; dismissed 3/17/88.

Docket F-3699 Filed 8/4/87
SIOUX FALLS/BROOKINGS JOINT LIGHTWAVE FACILITY

PUC decision asserting jurisdiction 3/31/88; appealed to Circuit Court by NWB; Order granting stay of construction 7/28 and 8/1/88; proposed order to remand back to PUC filed with Court 9/28/88. Order signed 9/2/88; PUC hearing set for 10/18/88.

Docket F-3718 Filed 10/28/87

Docket F-3719 Filed 11/2/87

NWB EXCHANGE CARRIER RECOVERY CHARGE
NWB COMPLAINT AGAINST DAKOTA COOPERATIVE REGARDING EXCHANGE RECOVERY CHARGE

NWB filed for approval of Exchange Recovery Charges to reflect access charges to NWB by local exchange carriers and subsequently filed a complaint against Dakota Cooperative regarding excess charges. PUC Order asserting jurisdiction 3/10/88; Dakota Cooperative appealed to Circuit Court 4/4/88; briefs filed; Order remanding to PUC signed 8/8/88. Pending various motions and negotiations between parties.

INVESTIGATION INTO THE EFFECTS OF TRA '86

Docket F-3647 Filed 10/86

PUBLIC UTILITIES COMMISSION INVESTIGATION INTO THE EFFECTS OF THE 1986 TAX REFORM ACT ON SOUTH DAKOTA UTILITIES

On October 22, 1986, President Ronald Reagan signed into law the Tax Reform Act of 1986 (TRA). The TRA represents one of the most comprehensive changes in federal income tax legislation ever enacted. The regulatory implications of the TRA required the Public Utilities Commission to examine present utility and telephone rates to determine reasonable allowance for income tax expenses. Among other things, the TRA reduced the corporate tax rate from 46% to 34% as of July 1, 1987. The Staff of the Commission immediately began gathering information from the regulated utilities regarding the impact of the TRA.

On June 18, 1987, Staff filed a motion requesting the Commission to require utility and telephone companies to file a formal position with the Commission which would reflect the effects of the TRA and associated adjustments. The Commission ordered on June 26,1987, that the TRA would have an immediate, known and measurable impact on rates and accordingly, any reduction in rates would have an effective date of July 1, 1987.

Following is a summary of the TRA settlements with each regulated utility company in South Dakota:

1.) BISON STATE TELEPHONE COMPANY 6/24/87 Bison State agreed to a $115,000 rate reduction---a savings of 90 cents a month for each of the company's 7,100 customers. Bison State also agreed to an 18-month moratorium. The moratorium prevented any rate increases through January 1, 1989, despite the fact that Bison State was removed from rate regulation by an act of the legislature, effective July 1, 1987.

2.) IOWA PUBLIC SERVICE COMPANY (7/8/87) IPS voluntarily reduced its electric rates $21,750 annually, and its natural gas rates $38,438 annually. The average gas customer saved about 30 cents per month, while the average electric customer saved about 55 cents a month. IPS serves 2,000 electric customers and 8,300 gas customers in southeastern South Dakota.

3.) NORTHERN STATES POWER COMPANY (8/19/87) NSP settled the effects of the TRA by agreeing to an eight-month rate moratorium through July 1,1988. The company's Sherco

III generating plant went on line November 1, 1987, which NSP officials said would have an annual rate impact of about $4.6 million. NSP subsequently filed for a rate increase on June 23, 1988, but the Commission suspended the effective date until December 23, 1988. The company is seeking a $3.55 million increase of about 7.1% which would affect approximately 52,000 customers in 37 southeast South Dakota communities.

4.) NORTHWESTERN PUBLIC SERVICE COMPANY (8/28/87) NWPS agreed to lower electric rates by $2.59 million annually, a 4.1% decrease. Natural gas rates were lowered $82,000 annually. The rate decrease was effective September 1, 1987, but because the TRA took effect July 1, 1987, the Commission ordered NWPS to credit customers for tax savings during July and August. Those refunds totalled more than $378,000. There are 53,000 electric customers in 107 eastern South Dakota communities and 29,000 gas customers in 28 communities.

5.) OTTER TAIL POWER COMPANY (10/28/87) OTP incorporated the TRA into a rate case. The company sought a $1,013,000 increase, or 8.2% This is described under General Rate Cases. The PUC eventually approved a $341,000 increase or about 2.8%. While the difference between the rate increase requested and the amount granted cannot be entirely attributed to the TRA, the new tax law was a significant factor in the case. OTP has about 11,250 customers in northeastern South Dakota.

6.) MINNEGASCO (5/27/88) Minnegasco agreed to lower rates $110,000 annually. The reduction was equivalent to .1325 cents per hundred cubic feet (CCF). The average residential customer could expect to save about 20 cents per month. Customers also received a refund reflecting Minnegasco's savings that had accrued since the tax changes took effect July 1, 1987. This affected approximately 40,000 customers in 16 southeastern communities.

7.) MONTANA-DAKOTA UTILITIES COMPANY (6/24/88) MDU agreed to lower its electric rates $110,000 annually. The reduction amounted to a savings of about $10 per year for the average customer. MDU serves 9,000 electric customers in 30 north central South Dakota communities.

8.) BLACK HILLS POWER & LIGHT COMPANY (8/3/88) BHP&L agreed to a $1.9 million annual reduction, which partially offset a rate increase that went into effect September 1, 1988. The rate increase was the result of the company's purchase of 75 megawats of power. Instead of a 10.4% rate increase, rates went up only about 7.3%. The reduction meant a savings of about $13.50 a year for the average residential customer. In addition, BHP&L agreed to refund just over $2.2 million, the amount the company had saved in taxes since the TRA took effect on July 1, 1987. For the 47,000 residential customers, this meant a refund of about $8 during two consecutive months.

9.) U S WEST COMMUNICATIONS (previously Northwestern Bell) (9/20/88) U S West had taken the position that other changes in the company's cost of operation will offset any savings that result from the TRA. The PUC's initial investigation of the impact of the TRA on U S West indicated a $4.75 million annual reduction. After several months of unsuccessful negotiations, the PUC ordered U S West to lower rates $4.722 million annually, and to refund the $6.35 million in tax savings that accrued since the new tax law took effect on July 1, 1987. The PUC order was issued 9/20/88 and was appealed to Circuit Court by US West.

ELECTRIC CASES DOCKETED FROM 7/1/87 TO 7/1/88

Docket F-3692 **Filed 7/1/87** **Approved 2/24/88**
APPLICATION OF MONTANA DAKOTA UTILITIES TO REVISE ITS COGENERATION AND SMALL POWER PRODUCTION TARIFFS

Docket F-3694 Filed 7/7/87 Approved 10/28/87
APPLICATION OF NORTHERN STATES POWER AND CITY OF SIOUX FALLS FOR TERRITORIAL AGREEMENT

Docket F-3696 Filed 7/27/87 Final decision 2/17/88
ELECTRIC SERVICE TO NEW ELM SPRINGS COLONY

Docket F-3697 Filed 7/28/87 Approved 8/11/87
AGREEMENT BETWEEN NORTHWESTERN PUBLIC SERVICE AND CHARLES MIX ELECTRIC ASSOCIATION

Docket F-3701 Filed 8/13/87 Resolved by parties
COMPLAINT BY EAGLE MATS AGAINST BLACK HILLS ELECTRIC COOP

Docket F-3711 Filed 9/22/87 Approved 10/14/87
AGREEMENT BETWEEN CLAY UNION ELECTRIC AND CITY OF VERMILLION

Docket F-3714 Filed 10/19/87 Approved 10/28/87
APPLICATION OF MDU TO REVISE ELECTRIC SERVICE RATE 114

Docket F-3717 Filed 10/23/87 Approved 10/28/87
AGREEMENT BETWEEN NSP AND CITY OF SIOUX FALLS

Docket F-3722 Filed 11/2/87 Approved 12/2/87
MASTER METER VARIANCE REQUEST, PRINCE OF PEACE RETIREMENT COMMUNITY

Docket F-3728 Filed 11/24/87 Approved 12/2/87
AGREEMENT BETWEEN NSP AND CITY OF SIOUX FALLS

Docket F-3732 Filed 12/29/87 Approved 3/23/88
MASTER METER VARIANCE REQUEST, FIRST FINANCIAL CENTER

Docket F-3733 Filed 1/6/88 Approved 2/24/88
NWPS BUDGET PAYMENT PLAN

Docket F-3735 Filed 1/18/88 Approved 8/4/88
RELATIONSHIP BETWEEN BLACK HILLS POWER AND LIGHT AND UNIVERSAL TRANSPORT

Docket F-3736 Filed 1/18/88 Decision 2/17/88
PETITION OF MO GREEN FOR REVISION IN ELECTRIC SERVICE BOUNDARIES

Docket F-3737 Filed 2/5/88 Denied 4/22/88
MDU PETITION FOR DECLARATORY RULING

Docket F-3738 Filed 2/11/88 Approved 2/17/88
AGREEMENT BETWEEN NSP AND CITY OF SIOUX FALLS

Docket F-3739 **Filed 2/17/88/** **Approved 3/23/88**
NWPS FOR EXPANSION OF ITS OFF-PEAK HOURS

Docket F-3746 Filed 3/2/88 Pending
OTTER TAIL POWER, 30 DAY WINTER GRACE PERIOD

Docket F-3750 Filed 3/11/88 Approved 3/23/88
BLACK HILLS CORPORATION, 1ST MORTGAGE BONDS, SERIES Y

Docket F-3752 Filed 3/14/88 Approved 3/23/88
TERRITORIAL AGREEMENT BETWEEN NSP AND CITY OF SIOUX FALLS

Docket F-3754 Filed 3/24/88 Approved 4/6/88
IOWA PUBLIC SERVICE STREET LIGHTING CONTRACTS/RATE 151

Docket F-3762 Filed 6/6/88 Approved 7/19/88
MDU, REVISE COGENERATION AND SMALL POWER PRODUCTION TARIFFS

Docket F-3763 **Filed 6/6/88** **Resolved**
SERVICE AREA QUESTION BETWEEN OTP AND TRAVERSE ELECTRIC COOP

GAS CASES DOCKETED FROM 7/1/87 TO 7/1/88

Docket F-3700 Filed 8/10/87 Resolved and file closed
GRH ELECTRONICS COMPUTAS SYSTEM, GAS COSTS FOR APARTMENT TENANTS

Docket F-3705 Filed 8/20/87 Approved 8/27/87
MINNEGASCO, AUTHORITY TO DISTRIBUTE REFUNDS

Docket F-3707 **Filed 9/10/87** **Approved 11/23/87**
MDU, ESTABLISH THERM BILLING FOR NATURAL GAS

Docket F-3716 Filed 10/21/87 Approved 2/17/88
MDU, REVISE GAS SERVICE TARIFF 124

Docket F-3724 Filed 11/6/87 Approved 11/10/87
REQUEST BY MDU FOR WAIVER OF FILING DATES

Docket F-3725 Filed 11/6/87 Approved 3/10/88
MINNEGASCO, APPROVAL OF REFUND DISTRIBUTIONS

Docket F-3726 Filed 11/10/87 Approved 11/23/87
APPLICATION OF MDU FOR REVISION OF SPECIAL TERMS AND CONDITIONS

Docket F-3730 Filed 12/2/87 Approved 12/21/87
MINNEGASCO, REVISE "WELCOME TO MINNEGASCO" BOOKLET

Docket F-3731 Filed 12/21/87 Approved rate 83 and denied rate 90
APPLICATION OF MDU FOR APPROVAL OF RATES 83 AND 90

Docket F-3740 Filed 2/24/88 Approved 2/26/88 Amended 3/16/88
MDU, PURCHASED GAS ADJUSTMENT

Docket F-3758 Filed 5/9/88 Approved 6/13/88
MDU, REVISIONS TO PURCHASED GAS ADJUSTMENT

Docket F-3759 Filed 5/12/88 Approved 9/9/88
MINNEGASCO, REVISE NATURAL GAS TARIFFS

BOTH GAS AND ELECTRIC CASES DOCKETED

Docket F-3693 Filed 7/2/87 Approved 7/2/87
APPLICATION OF NWPS TO REVISE CERTAIN TARIFFS

Docket F-3712 Filed 9/27/87 Approved 5/17/87
APPLICATION OF NWPS TO REVISE SAMPLE FORM TARIFFS

Docket F-3749 **Filed 3/9/88** **Approved 4/6/88**
IOWA PUBLIC SERVICE, REVISIONS TO SAMPLE FORMS TARIFFS

Docket F-3652 Miscellaneous NWB Tariffs (1987)

-11 Filed 7/1/87 Withdrawn 9/16/87
MIRROR FCC ACCESS CHARGES

-13 Filed 8/11/87 NWB requested postponement 1/15/88
EQUAL ACCESS RESTRICTION SERVICE

-14 Filed 8/11/87 Approved 8/26/87
WAIVER OF INSTALLATION CHARGE FOR CAROLINE SERVICE

-15 Filed 8/17/87 Order Issued 8/27/87
3T PLAN AND INSIDE WIRE MAINTENANCE

-16 Filed 8/17/87 Order 9/16/87
RESIDENCE MEASURED SERVICE

-17 Filed 9/2/87 Approved 10/20/87
MIRROR INTERSTATE ACCESS CHARGES

-18 Filed 9/15/87 Approved 10/28/87
TELECHOICE SERVICE

-19 Filed 10/13/87 Approved 11/23/87
SHARED CONVENIENCE DIALING

-20 Filed 10/21/87 Waiver approved 10/28/87
CUSTOM CALLING-HUDSON, SD

-21 Filed 11/3/87 Approved 12/2/87
MEASURED SERVICE, HUDSON, SD

-22 Filed 11/3/87 Approved 11/10/87
TEEN LINK

-23 Filed 11/3/87 Approved 11/23/87
SELECTIVE CLASS OF CALL SCREENING

-24 Filed 11/17/87 Withdrawn 2/10/88
REVISE GENERAL RULES

-25 Filed 11/30/87 Approved 3/28/88
MIRROR FCC ACCESS CHARGES

-26 Filed 12/3/87 Approved 12/21/87
2 PARTY AGRI-BUSINESS SERVICE

-27 Filed 12/10/87 Approved 12/14/87
LONG DISTANCE MESSAGE TELCOMM SERVICE

-28 Filed 12/21/87 Approved 12/21/87
CARRIER COMMON LINE ACCESS SERVICE, DATE CORRECTION

-29 Filed 12/18/87 Approved 2/3/88
CALLED NUMBER IDENTIFICATION SERVICE

-30 Filed 12/18/87 Approved 12/21/87
WEBSTER AND ROSLYN BOUNDARY EXCHANGES

Docket F-3704 Filed 8/17/87 Approved 8/26/87
MIDCO COMMUNICATIONS TARIFF APPROVAL

Docket F-3709 Filed 9/15/87 Approved 11/23/87
AT&T CHANNEL SERVICES TARIFF

Docket F-3710 Filed 9/22/87 Stipulation and Order 3/30/88
COMPLAINT OF NWB AGAINST BROOKINGS MUNICIPAL UTITLITIES

Docket F-3713 Filed 10/1/87 Withdrawn 5/17/88
APPLICATION OF MIDCO COMMUNICATIONS TO PROVIDE RADIO COMMON CARRIER SERVICE THROUGHOUT SOUTH DAKOTA

Docket F-3715 Filed 10/20/87 Approved 11/4/87
APPROVE RADIO COMMON CARRIER RATES FOR LAKE AREA PAGING

Docket F-3721 Filed 11/3/87 Approved 12/2/87
APPLICATION OF SIOUX FALLS CELLULAR LIMITED PARTNERSHIP FOR MOBILE RADIO SERVICE IN SIOUX FALLS AREA

Docket F-3723 Filed 11/15/87 Approved 12/28/87
APPROVAL OF MERGER OF BROOKINGS -LAKE TELEPHONE COMPANY AND DEUEL TELEPHONE COOPERATIVE INTO INTERSTATE TELECOMMUNICATIONS COOPERATIVE

Docket F-3729 Filed 12/1/87 Dismissed 12/17/88
COMPLAINT OF JOHN DALY AGAINST AT&T AND NWB

Docket F-3734 Miscellaneous NWB Tariffs (1988)

-1 Filed 12/9/87 Approved 1/13/88
EXCHANGE OF TERRITORY WITH GOLDENWEST

-2 Filed 1/19/88 Approved 2/3/88
LOCAL MEASURED SERVICE FOR ARLINGTON

-3 Filed 2/2/88 Approved 7/22/88
EXCESS CONSTRUCTION CHARGE/MAIN STATION SERVICE CHARGE

-4 Filed 2/2/88 Approved 3/28/88
ACCESS SERVICE TARIFF, FCC NO. 1

-5 Filed 3/9/88 Approved 7/22/88
CONSTRUCTION CHARGES OUTSIDE BASE RATE AREA

-6 Filed 3/16/88 Approved 3/23/88
ADDITIONAL UNLIMITED OPTIONS TO TELECHOICE

-7 Filed 3/28/88 Approved 4/6/88
DIAL DATA (976 TYPE SERVICE) ACCESS

-8 Filed 5/31/88 Approved 6/13/88
BUSINESS TELECHOICE SERVICE

-9 Filed 6/6/88 Approved 6/13/88
REGULATIONS REGARDING EXTENSION SERVICE

Docket F-3745 Filed 2/26/88 Pending
COMPLAINT AGAINST NWB ON SERVICE AT MADISON CENTRAL OFFICE

Docket F-3747 Filed 3/2/88 Approved 4/6/88
TRANSFER PAGING, REPEATER AND RADIO TELEPHONE LICENSES AT ABERDEEN FROM MT SYSTEMS TO MIDCO COMMUNICATIONS

Docket F-3748 Filed 3/2/88 Approved 4/6/88
TRANSFER PAGING, REPEATER AND RADIO TELEPHONE LICENSES AT BROOKINGS FROM MT SYSTEMS TO MIDCO COMMUNICATIONS

Docket F-3751 Filed 3/14/88 Approved 5/17/88
TRANSFER PAGING, REPEATER AND RADIO TELEPHONE LICENSES AT WESSINGTON SPRINGS FROM MT SYSTEMS TO MIDCO COMMUNICATIONS

Docket F-3753 Filed 3/23/88 Decision 9/20/88
INVESTIGATION INTO RATES OF THE CITY OF BROOKINGS/SDSU DORMITORIES

Docket F-3755 Filed 3/30/88 Approved 8/3/88
APPLICATION BY SIOUX FALLS CELLULAR FOR AUTHORIZATION FOR CELLULAR MOBILE RADIO SERVICE IN THE SIOUX FALLS AREA

Docket F-3760 Filed 5/26/88 Pending Settlement between Parties
APPLICATION FOR CHANGE OF SERVICE BY BIG BUFFALO TELEPHONE COMPANY TO GOLDEN WEST TELECOMMUNICATIONS COOPERATIVE FROM KADOKA TELEPHONE CO.

Docket F-3761 Filed 5/27/88 Pending
COMPLAINT AGAINST NWB ON SERVICE IN PARKSTON CENTRAL OFFICE

SPECIAL CASES OR INVESTIGATIONS DURING FY 1988

Docket F-3652-12 Filed 7/14/87 Pending
NWB's CONTRACT TOLL PLAN AND WATS REDUCTION

This is a proposal by NWB to allow case-by-case contracts for large volume users of toll services at less than the tariff rates and to reduce the WATS rates. All the resellers of toll services intervened. First hearing held 11/23/88, final decision denying reduced rates issued 3/31/88; rehearing granted 10/11/88, but postponed at NWB's request. The issue includes extent and fairness of competition.

Docket F-3624 Filed 8/20/86 Suspended indefinitely
INQUIRY INTO THE COSTS FOR TELEPHONE PLANT AND OTHER EXPENSES

The purpose of this docket was to study allocation of costs of different telephone services. It is important to ascertain that local service does not bear all the costs of physical facilities. After the studies on competition were opened, the information in this docket was transferred to those dockets.

Docket F-3661 Filed 3/17/87 Open docket
PUC INVESTIGATION INTO THE COSTS OF REGULATION

All regulated companies. Order issued on 3/18/87 requesting information on costs allocated to regulation by the PUC; salaries, contractual services, lobbying and associated expenses. Staff analysis filed 8/13/87. This could have a bearing on competition dockets.

Docket F-3663 Filed 3/23/87
REGULATION OF TELECOMMUNICATIONS RESELLERS IN SOUTH DAKOTA

This is an investigation into the need for regulation of companies buying long distance service from NWB and reselling it. NWB identified 33 customers and a registration form was sent to them. Other states were surveyed. The final order stated that resellers must register and file rates with the PUC. Resellers are a part of the studies on competition.

Docket F-3741 Docketed 2/26/88 Suspended due to referral of SB 42
REGULATION OF PRIVATE LINE AND SPECIAL ACCESS

Docket F-3742 Docketed 2/26/88 Suspended due to referral of SB 42
REGULATION OF 1) CELLULAR MOBILE; 2) INSIDE WIRE; 3) CENTRON & 4) BILLINGS AND COLLECTIONS

Docket F-3743 Docketed 2/26/88 Suspended due to referral of SB 42
REGULATION OF MTS, WATS AND NEW SERVICES

Docket F-3744 Docketed 2/26/88 Suspended due to referral of SB 42
REGULATION OF OPTIONAL SERVICES

Dockets 3741 through 3744 were opened to begin the investigation of the type of competition that exists at this time in the various kinds of telephone services. A fee was assessed against NWB, as provided in SB 42, and a consultant was retained to conduct the investigations. After the filing of petitions for the referral of SB 42, the investigations were suspended because authorization did not exist for the expenditure of funds, and the fees were returned to NWB.

EXTENDED AREA SERVICES

Docket F-3671 Filed 4/13/87 Continuing
INVESTIGATION OF EXTENDED AREA SERVICE IN SOUTH DAKOTA

Several areas of the state are interested in an Extended Area Service (EAS) Plan whereby long distance calls to a neighboring community are included in the rate base. That requires raising the basic local rate or instituting an optional plan for a stated monthly charge. Following considerable controversy in the Newell-Belle Fourche area and legitimate concerns that were raised, the PUC opened this docket for a generic study of the impact of EAS on local rates. All applications for EAS were put on hold until a trial plan was completed in Newell-Belle Fourche. A listing of those applications follows:

Docket F-3596 Filed 4/28/86 Trial plan in operation
APPLICATION FOR EAS FROM NEWELL TO BELLE FOURCHE

After petitions for EAS, a public hearing in Newell and a mailed polling of all customers, the PUC approved a plan for EAS that increased monthly rates by $1.00 for every residence and $4.30 for every business phone. News of the rate increase activated the opposition and a petition objecting to EAS was received 12/11/86. After considerable discussion with NWB, there was an order suspending implementation 4/15/87; NWB's proposal for an optional plan 7/14/87, a public hearing in Newell 8/13/87, and approval of the trial plan on 8/26/87.

Under this optional plan, the increased residential rate for those selecting the plan is $2.75 a month and the increased business rate is $5.50. There is no increase in monthly rates to those customers who do not select the plan. The trial period has been extended until 11/7/88.

Docket F-3665 Filed 2/6/87 Pending trial plan in Newell
EAS; STURGIS, RAPID CITY, WHITEWOOD

Docket F-3695 Filed 7/23/87 Pending trial plan in Newell
EAS; SPEARFISH

Docket F-3720 Filed 11/2/87 Pending trial plan in Newell
EAS; BURKE, GREGORY, DALLAS, HERRICK AND SURROUNDING AREAS

Docket F-3757 Filed 4/29/88 Pending trial plan in Newell
EAS; BERESFORD AND CENTERVILLE

TELEPHONE ASSISTANCE PLAN

Docket F-3703 Filed 8/14/87 Approved 2/17/88
TELEPHONE ASSISTANCE PLAN BY NWB

The Telephone Assistance Plan (TAP) is set up according to guidelines proposed by the Federal Communications Commission. The purpose is to assure telephone service to low income households by providing a credit of $5.20 per month; that credit being composed of a $2.60 match by the phone company and removal of the $2.60 subscriber line charge. NWB's proposal would fund their match by adding a 5 cent surcharge on all residential and business lines. Eligible subscribers must be 60 years old and participating in either the Food Stamp Program or Low Income Energy Assistance Program.

The TAP was implemented in June 1988, after coordination with Social Service's lists of eligibles. By the end of July, NWB reported over 4000 participants.

ALTERNATE OPERATOR SERVICES

Docket F-3756 Filed 4/8/88 Open docket
INVESTIGATION INTO ALTERNATE OPERATOR SERVICES

Several complaints have been received concerning Alternate Operator Services which contract with motels, hospitals, private payphones, etc. to handle toll calls. Quite often, their charges to the customer are excessive and the customer and the contracting facility have been misled. Other states are having similar problems and investigations. At this time, the calls are usually interstate and beyond the PUC's control; those complaints are forwarded to the FCC.